



STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

CABLE

IN THE MATTER OF THE APPLICATION OF)	
SERVICE ELECTRIC CABLE T.V. OF)	ORDER OF APPROVAL
HUNTERDON, INC. FOR AUTHORITY TO)	
ENTER INTO A SECOND AMENDED AND)	DOCKET NO. CF03100829
RESTATED CREDIT AGREEMENT)	

(SERVICE LIST ATTACHED)

BY THE BOARD:

Service Electric Cable T.V. of Hunterdon, Inc. ("SEH") a Pennsylvania corporation, with its principal place of business in Bethlehem, Pennsylvania, is a New Jersey cable television company operating its cable television business in twelve communities in the counties of Hunterdon and Warren. Specifically, SEH provides cable television service in Hunterdon County in the communities of Alexandria, Frenchtown, Milford, Holland, Kingwood and Bloomsbury and in Warren County in the communities of Alpha, Greenwich, Harmony, Lopatcong, Phillipsburg and Hopatcong.

SEH has been providing cable television service since 1991. Prior to that, a New Jersey affiliate of SEH had been providing service in four of the Hunterdon County communities as well as communities located in Sussex County since the 1970s.

SEH is an affiliate of Service Electric Cable T. V. Inc. ("SECTV"). SECTV owns and operates cable television systems in the Commonwealth of Pennsylvania. SEH and SECTV are borrowers under an Amended and Restated Credit Agreement, ("Old Agreement") previously approved by the Board in docket number CF01080480.

By petition filed October 24, 2003 SEH is seeking approval for it to enter into a Second Amended and Restated Credit Agreement ("New Agreement"). National City Bank, Cleveland, Ohio is a lender and will continue to act as Agent and Issuing Bank. General Electric Credit Corporation will serve as Syndication Agent. Manufacturers and Traders Trust Company will serve as Documentation Agent. Lenders will include National City Bank, General Electric Credit Corporation, Brown Brothers Harriman & Co., Manufacturers and Traders Trust Company, PNC Bank, NA, and/ or such lenders as may ultimately participate pursuant to the terms of the New

Agreement. The New Agreement will amend and restate the Old Agreement upon the approval referred to herein.

The New Agreement is substantially similar to the Old Agreement. The total borrowing under the New Agreement is less than the Old Agreement. There is a new Term Loan B under the New Agreement. Term Loan B will repay part of the balance of the existing term loan under the Old Agreement. The remaining part of the outstanding term loan from the Old Agreement will be re-designated as Term Loan A. The combined amount of Term Loan A and Term Loan B are less than initially approved for the Old Agreement as principal repayment has already commenced under the terms of the Old Agreement of the term loan. The repayment of the new Term Loan B will extend beyond the current amortization period identified in the Old Agreement.

The primary use of the funds under the New Agreement will be to refinance and restructure the Old Agreement's outstanding balance.

Some funds from the loan proceeds under the Old Agreement were used for the deployment in New Jersey of digital technology including digital converters. Extension of the system's fiber optics was also supported with the financing proceeds. One of the components of the New Agreement is the revolving loan facility that will provide the availability of funds for borrowing and reborrowing as needed. No specifically identifiable projects are noted for New Jersey under the New Agreement. It is noted however, that SEH has aggressively upgraded its systems and deployed the new technology in its service areas under the Old Agreement and from cash flow. It will continue to be alert to such continuing opportunities.

As has previously been noted by SEH in connection with its filings under the Old Agreement, SEH believes that borrowing with its affiliate allows it to obtain more favorable terms and leverage.

The material elements of the New Agreement were described in detail in the filing of SEH on October 24, 2003. Subsequently, SEH filed additional information including the then proposed form of New Agreement. The maximum amount borrowable under the New Agreement will be the same as the Old Agreement, that is \$90,000,000.00. Amortization has commenced under the Old Agreement as contemplated therein. The Term Loan B will have an amortization period that will extend beyond that which had been established in the Old Agreement. As is customary, SEH and its affiliate will also be responsible for commitment fees and other expenses and obligations associated with this New Agreement. Those fees, charges and obligations are referred to in the Summary of Terms and Conditions that were a part of SEH's filing and in the subsequently filed Amended and Restated Credit Agreement.

The existing pledge of SEH's assets and capital stock, along with that of its affiliate SECTV, will be continued, as will the other obligations under the Old Agreement. SEH and SECTV will continue to be jointly and severally liable on the full amount of the loans and all of the material terms and conditions of the credit facility.

Notwithstanding the approval herein granted, in the event of a default, a sale of assets or a future borrowing by SEH, our approval may be necessary if the facts then present warrant such approval as contemplated by the New Jersey Cable Television Act.

We are satisfied that entering into the Second Amended and Restated Credit Agreement will not have an adverse impact on the New Jersey customers or operations of SEH.

After review, the Board HEREBY FINDS that the proposed transactions are to be made in accordance with law, are in the public interest and approving the purposes thereof HEREBY AUTHORIZES Service Electric Cable T.V. of Hunterdon, Inc., to enter into the Second Amended and Restated Credit Agreement, to issue the appropriate notes, give security and to take other such actions reasonably inferred therefrom. This Order is subject to the following provisions:

1. This Order shall not be construed as directly or indirectly fixing for any purpose whatsoever, any value of the tangible or intangible assets now owned or hereafter to be owned by SEH.
2. This Order shall not affect or in any way limit the exercise of the authority of this Board or of this State in any pending or future petition or in any proceeding with respect to rates, franchises, services, financing, accounting, capitalization, depreciation or in any other matters affecting SEH.
3. SEH agrees to submit to the Board, at the Board's request, copies of all financial statements or materials required to be submitted to the lenders in connection with the credit facility.
4. In the event of default under the Second Amended and Restated Credit Agreement, SEH shall notify the Board within five days of such, which will give the Board the opportunity to determine if such default would cause inadequate, unsafe or improper service which could be in violation of N.J.S.A. 48:5A-36 and 39.
5. Notwithstanding anything to the contrary in the Second Amended and Restated Credit Agreement or the underlying documents making up the agreement, neither this proposed financing nor a default under the agreement or supporting documents constitutes an automatic transfer of SEH property, plant or equipment, or Certificates of Approval under the terms of any security agreement or other document in conjunction with the credit facility. Board approval must be sought pursuant to N.J.S.A. 48:5A-19, 40 and 43.
6. Copies of interest rate protection/hedge agreements and or rate insurance/cap agreements shall be filed with the Board by SEH within 10 days after their execution. The filing shall include the amount of principal covered, the old interest rate or range, the new interest rate or range, the premium or consideration for the interest rate contract or insurance, anticipated interest expense savings and the present and future benefits of such agreements.
7. Approval of the transactions herein shall not constitute a determination, nor in any way limit any future determination of the Board as to the treatment of indebtedness, capital structure and interest expense for ratemaking purposes, in any rate proceeding under state or federal law.
8. The Board's approval herein should not be interpreted as limiting the Board's authority over SEH to the extent that any action contemplated in the Second Amended and Restated Credit Agreement would require further Board review and approval under applicable law.
9. Any approval herein shall not be construed as automatically approving any past,

present or future intercompany debt or advances that may require Board approval pursuant to the applicable statutes.

10. Material deviation in the executed closing documents from the terms and conditions of the Second Amended and Restated Credit Agreement or from that set forth in the filing by SEH and the supplements filed by SEH will render this Order of Approval voidable. SEH shall file a certification within thirty days of loan closing which shall indicate that there are no material deviations in the final closing documents from those so filed with the Board.
11. Consummation of the transactions approved herein must take place no later than sixty days from the date of approval of this Order, unless otherwise extended by the Board.

All parties to the above transactions must comply with the New Jersey Cable Television Act and the applicable sections of the New Jersey Administrative Code.

DATED: April 14, 2004

BOARD OF PUBLIC UTILITIES
BY:

[SIGNED]

JEANNE M. FOX
PRESIDENT

[SIGNED]

FREDERICK F. BUTLER
COMMISSIONER

[SIGNED]

CAROL J. MURPHY
COMMISSIONER

[SIGNED]

CONNIE O. HUGHES
COMMISSIONER

[SIGNED]

JACK ALTER
COMMISSIONER

ATTEST:

SIGNED

KRISTI IZZO
SECRETARY

**I/M/O petition of the Application of Service Electric Cable T.V.
Of Hunterdon, Inc. for Authority to Enter into an Amended and
Restated Credit Agreement**

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